

JOHN W. OLVER
1ST DISTRICT, MASSACHUSETTS

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Congress of the United States
House of Representatives
Washington, DC 20515-2101

May 15, 1998

Dear Friend:

I am writing to update you about three issues currently being debated in Congress: Social Security protection, Medicare coverage of home health services, and managed care reform.

To begin with, the President has proposed that any federal budget surplus be used to preserve the Social Security trust fund. I applaud this proposal and believe that it is imperative that we protect the long-term solvency of Social Security.

In addition to saving Social Security, we must protect seniors' access to high quality health care. Surplus funds should also be utilized to replenish Medicare programs that were cut by the 1997 Balanced Budget Act (BBA) and sustain the life of the Medicare trust fund.

The 1997 BBA severely cut funding for the home health services on which many Western Massachusetts seniors rely. The new Interim Payment System (IPS) for Medicare reimbursement to home health providers has forced agencies to use outdated and inadequate 1993 reimbursement rates for costs incurred in 1998. These cuts have significantly reduced seniors' access to home health services.

In Massachusetts, state agencies expect to lose \$100 million in Fiscal Year 1998, a 20% reduction in funding. The home care industry simply cannot provide care for all patients who need the services in our community within the new payment guidelines.

In an effort to mitigate the effects of IPS on agencies in Massachusetts, I have co-sponsored legislation to delay the implementation of new reimbursement rates by one year. This delay would provide the Health Care Financing Administration additional time to establish new payment rates and enable agencies to find ways to reduce costs in ways that have the least negative impact on seniors.

With the growing number of elderly citizens, I believe that we should develop plans to expand home care, not restrict it.

In addition, we must fight to ensure that our entire health care system is

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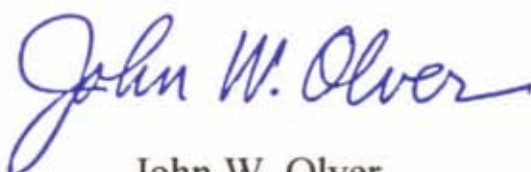
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up to the task of truly providing quality care. This means reforming managed care health services delivery. I am also co-sponsoring legislation in Congress to guarantee high standards of care and basic patient rights in all managed care plans, including the right to choose one's own doctor.

Again, I will support the President's proposal to commit surplus funds to bolster the long-term solvency of Social Security, but we must also ensure that Medicare and managed care service providers can adequately deliver the vital health care services Massachusetts' citizens need today.

Thank you for allowing me to update you on these important issues. Please do not hesitate to contact my office if you have questions or comments.

Sincerely,



John W. Olver
Member of Congress

Contact Information for Congressman John W. Olver

Washington, DC Office

1027 Longworth House Office Building, Washington, DC 20515
Phone: (202) 225-5335 Fax: (202) 226-1224

Holyoke Office (Main District Office)

490 Westfield Road, Holyoke, MA 01040
Phone: (413) 532-7010 Fax: (413) 532-6543

Pittsfield Office

Conte Federal Building
78 Center Street
Pittsfield, MA 01201
Phone: (413) 442-0946 Fax: (413) 443-2792

Fitchburg Office

463 Main Street
Fitchburg, MA 01420
Phone: (978) 342-8722 Fax: (978) 343-8156

john.olver@mail.house.gov <http://www.house.gov/olver>

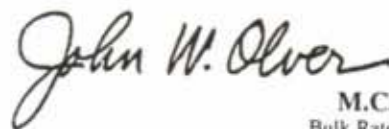
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